

1 UNITED STATES BANKRUPTCY COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN FRANCISCO DIVISION

4 In re:

5 PG&E CORPORATION,

6 - and -

7 PACIFIC GAS AND ELECTRIC  
8 COMPANY,

9 Debtors.

Bankruptcy Case

No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- 10 ☐ Affects PG&E Corporation  
11 ☐ Affects Pacific Gas and Electric Company  
12 ☒ Affects both Debtors

**Objection Deadline:** July 29, 2020 at 4:00p.m.  
(Prevailing Pacific Time)

13 \* All papers shall be filed in the Lead Case,  
14 No. 19-30088 (DM).

15 **THIRD INTERIM FEE APPLICATION OF KPMG LLP FOR COMPENSATION FOR SERVICES  
16 RENDERED AND REIMBURSEMENT OF EXPENSES AS INFORMATION TECHNOLOGY, RISK,  
AND LEGAL SUPPORT CONSULTANTS TO THE DEBTORS FOR  
THE PERIOD FROM OCTOBER 1, 2019 THROUGH JANUARY 31, 2020**

17 Name of Applicant: KPMG LLP  
18 Authorized to Provide The above-captioned Debtors  
19 Professional Services to:  
20 Date of Retention: October 11, 2019 *nunc pro tunc* to  
January 29, 2019  
21 Period for which compensation and October 1, 2019 through January 31, 2020  
22 reimbursement is sought:  
23 Amount of Compensation sought as  
actual, reasonable, and necessary: \$ 5,105,788.04  
24 Amount of Expense Reimbursement sought  
as actual, reasonable, and necessary: \$ 291,865.26  
25 This is a(n)  X  Interim   Final Application

**Prior Applications Filed:**

Date Filed	Docket Number	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses	Fees Paid-to-Date	Expenses Paid-to-Date
07/15/19	2992	01/29/19 to 05/31/19	\$ 3,873,655.06	\$ 132,148.61	\$ 3,823,655.06	\$ 132,148.61	\$ 3,823,655.06	\$132,148.61
02/04/20	5618	06/01/19 to 09/30/19	\$ 4,318,137.02	\$ 316,097.43	Pending	Pending	\$ 3,454,513.01	\$ 316,097.43
Total			\$ 8,191,792.08	\$ 448,246.04	\$ 3,823,655.06	\$ 132,148.61	\$ 7,278,168.07	\$ 448,246.04

**ATTACHMENT A**

**TO FEE APPLICATION**

<b>Professional Person</b>	<b>Position &amp; Department</b>	<b>Total Billed Hours</b>	<b>Hourly Billing Rate</b>	<b>Total Compensation</b>
Erik Lange	Partner - Advisory	15.0	\$ 850	\$ 12,750.00
Clay Gilge	Principal - Advisory	5.0	\$ 625 <sup>(1)</sup>	\$ 3,125.00
Juan Gonzalez III	Partner - Advisory	100.5	\$ 625 <sup>(1)</sup>	\$ 62,781.25
Arun Mani	Principal- Advisory	56.6	\$ 500	\$ 28,300.00
Clay Gilge	Principal - Advisory	44.0	\$ 500 <sup>(1)</sup>	\$ 22,000.00
Geno Armstrong	Partner - Advisory	10.0	\$ 500	\$ 5,000.00
Juan Gonzalez III	Partner - Advisory	16.0	\$ 500 <sup>(1)</sup>	\$ 8,000.00
Lisa Daniels	Principal - Advisory	4.0	\$ 500	\$ 2,000.00
Reid Tucker	Principal - Advisory	9.1	\$ 500	\$ 4,550.00
Garrett Yamada	Director - Advisory	5.0	\$ 750	\$ 3,750.00
Kelly Markgraf	Managing Director- Advisory	0.5	\$ 595	\$ 297.50
Jonathan White	Managing Director- Advisory	60.2	\$ 475	\$ 28,595.00
Andrei Emelianov	Director - Advisory	95.3	\$ 550	\$ 52,415.00
Ryan Tuggle	Director - Advisory	62.4	\$ 550	\$ 34,292.50
Scott Stoddard	Director - Advisory	40.8	\$ 550 <sup>(1)</sup>	\$ 22,440.00
Tabitha Gaustad	Director - Advisory	143.6	\$ 550	\$ 78,952.50
Arthur Franke	Director - Advisory	1.0	\$ 435	\$ 435.00
Garrett Lodewyck	Director - Advisory	12.0	\$ 435	\$ 5,220.00
Yuuki Stahl	Director - Advisory	3.0	\$ 435	\$ 1,305.00
Matt Broida	Director - Advisory	154.5	\$ 435	\$ 67,207.50
Scott Stoddard	Director - Advisory	77.7	\$ 435 <sup>(1)</sup>	\$ 33,777.75
Gaurav Mathur	Director - Advisory	46.5	\$ 400	\$ 18,600.00
Jeff Mahoney	Specialist Director - Analytics	14.3	\$ 435	\$ 6,220.50
Monica Plangman	Associate Director - Bankruptcy	9.3	\$ 213	\$ 1,976.25
Holly Tant	Manager - Advisory	3.0	\$ 475	\$ 1,425.00
Jeffrey Strong	Manager - Advisory	16.2	\$ 475	\$ 7,695.00
Rachel Wagner-Kaiser	Manager - Advisory	202.3	\$ 475	\$ 96,092.50
Stephen Greer	Manager - Advisory	151.0	\$ 475 <sup>(2)</sup>	\$ 71,725.00
Yiwen Fu	Manager - Advisory	60.0	\$ 475	\$ 28,500.00
Eloise Pinto	Manager - Advisory	155.7	\$ 475	\$ 73,957.50
Kimberly Johnson	Manager - Advisory	342.4	\$ 475 <sup>(2)</sup>	\$ 162,640.00
Daniel Elmlblad	Manager - Advisory	20.8	\$ 400 <sup>(2)</sup>	\$ 8,320.00
David Ross	Manager - Advisory	146.8	\$ 400	\$ 58,720.00
Eric Janes	Manager - Advisory	106.4	\$ 400	\$ 42,560.00
Gaurav Thapan-Raina	Manager - Advisory	307.2	\$ 400	\$ 122,880.00
Jon Guth	Manager - Advisory	91.4	\$ 400	\$ 36,560.00
Matthew Bowser	Manager - Advisory	515.4	\$ 400 <sup>(2)</sup>	\$ 206,140.00
Miki Suga	Manager - Advisory	91.5	\$ 400	\$ 36,600.00
Sitki Gulten	Manager - Advisory	4.0	\$ 400	\$ 1,600.00
Tim Littman	Manager - Advisory	1.8	\$ 400 <sup>(2)</sup>	\$ 720.00

# ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
Matthew Rice	Lead Specialist (Manager) - Advisory	168.8	\$ 260 <sup>(1)</sup>	\$ 43,888.00
Rob Villegas	Manager - Advisory	21.8	\$ 260 <sup>(1)</sup>	\$ 5,668.00
Rohit Nagdeo	Lead Specialist (Manager) - Advisory	176.0	\$ 260 <sup>(1)</sup>	\$ 45,760.00
Matthew Rice	Lead Specialist (Manager) - Advisory	452.0	\$ 225 <sup>(1)</sup>	\$ 101,700.00
Rob Villegas	Manager - Advisory	72.4	\$ 225 <sup>(1)</sup>	\$ 16,290.00
Rohit Nagdeo	Lead Specialist (Manager) - Advisory	440.2	\$ 225 <sup>(1)</sup>	\$ 99,045.00
Josh Conkel	Manager - Advisory	126.0	\$ 224	\$ 28,224.00
Celeste Campbell	Manager - Bankruptcy	270.7	\$ 163	\$ 43,988.75
Wendy Shaffer	Manager - Bankruptcy	1.3	\$ 163 <sup>(2)</sup>	\$ 211.25
Arielle Friedman	Senior Associate - Advisory	2.5	\$ 525	\$ 1,312.50
David Hall	Senior Associate - Advisory	346.7	\$ 425	\$ 147,347.50
Erin Vanderwall	Senior Associate - Advisory	23.5	\$ 425	\$ 9,987.50
Faisal Khaled	Senior Associate - Advisory	75.1	\$ 425	\$ 31,896.25
Jen Karlin	Senior Associate - Advisory	14.5	\$ 425	\$ 6,162.50
Rachael Graening	Senior Associate - Advisory	30.7	\$ 425	\$ 13,047.50
Nicole Tran	Senior Associate - Advisory	268.9	\$ 425	\$ 114,261.25
Adrian Irwin	Senior Associate - Advisory	113.9	\$ 325	\$ 37,017.50
Drew Esler	Senior Associate - Advisory	105.5	\$ 325	\$ 34,287.50
Farbod Farzan	Senior Associate - Advisory	593.0	\$ 325	\$ 192,725.00
Lucy Cai	Senior Associate - Advisory	79.0	\$ 325 <sup>(2)</sup>	\$ 25,675.00
Marcus Xu	Senior Associate - Advisory	144.6	\$ 325	\$ 46,995.00
Tanveer Abbas	Senior Associate - Advisory	78.9	\$ 325	\$ 25,626.25
Taylor DeGrande	Senior Associate - Advisory	388.0	\$ 325	\$ 126,100.00
Will Brennan	Senior Associate - Advisory	446.3	\$ 325	\$ 145,047.50
Yaz Yuan	Senior Associate - Advisory	79.0	\$ 325	\$ 25,675.00
Jeffrey Kwan	Senior Associate - Advisory	112.3	\$ 275	\$ 30,882.50
Rama Bhaskara	Senior Specialist - Advisory	178.0	\$ 260 <sup>(1)</sup>	\$ 46,280.00
Rama Bhaskara	Senior Specialist - Advisory	455.5	\$ 225 <sup>(1)</sup>	\$ 102,487.50
Angie Liang	Associate - Advisory	136.5	\$ 325	\$ 44,362.50
Belal Abusaleh	Associate - Advisory	27.0	\$ 325	\$ 8,775.00
Bellamy Yoo	Associate - Advisory	45.0	\$ 325 <sup>(1)</sup>	\$ 14,625.00
Christopher Wong	Associate - Advisory	85.7	\$ 325	\$ 27,852.50
John Stockdale	Associate - Advisory	23.2	\$ 325	\$ 7,523.75
Jonathan Boldt	Associate - Advisory	199.6	\$ 325	\$ 64,870.00
Michelle Yeung	Associate - Advisory	396.0	\$ 325	\$ 128,700.00
Ryan Hoskins	Associate - Advisory	32.0	\$ 325	\$ 10,400.00
Alex Esuoso	Associate - Advisory	69.0	\$ 275	\$ 18,975.00
Bellamy Yoo	Associate - Advisory	78.0	\$ 275 <sup>(1)</sup>	\$ 21,450.00
Brian Wei	Associate - Advisory	139.2	\$ 275	\$ 38,280.00

# ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

Professional Person	Position & Department	Total Billed Hours	Hourly Billing Rate	Total Compensation
David Sanchez	Associate - Advisory	35.7	\$ 275	\$ 9,817.50
Dennis Cha	Associate - Advisory	514.7	\$ 275	\$ 141,542.50
Fran Shammo	Associate - Advisory	257.9	\$ 275	\$ 70,908.75
Jack Liacos	Associate - Advisory	17.5	\$ 275	\$ 4,812.50
Katherine Hee	Associate - Advisory	138.8	\$ 275	\$ 38,156.25
Trent Anderson	Associate - Advisory	134.3	\$ 275	\$ 36,932.50
Juanita Garza	Associate - Bankruptcy	259.4	\$ 138	\$ 35,667.50
Aayush Bhatia	Associate - KGS	141.1	\$ 135	\$ 19,048.50
Bob Zhang	Associate - Advisory	329.5	\$ 135	\$ 44,482.50
<b>Subtotal Hours and Fees at Discounted Rates</b>		<b>11,526.9</b>		<b>\$ 3,794,896.75</b>
Data Security Services - (Fixed Fee)				\$ 703,121.50 <sup>(3)</sup>
Legal Support Services - (non-hourly fees)				\$ 187,769.79 <sup>(4)</sup>
Endpoint Protection Strategy Assessment Services - (Fixed Fee)				\$ 50,000.00 <sup>(5)</sup>
2020 Electric System Inspections and Maintenance Program Services - (Fixed Fee)				\$ 370,000.00 <sup>(6)</sup>
<b>Total Fees Requested</b>				<b>\$ 5,105,788.04</b>
Out of Pocket Expenses				\$ 291,865.26
<b>Total Fees and Out of Pocket Expenses</b>				<b>\$ 5,397,653.30</b>
<b>Blended Hourly Rate</b> (excludes Fixed Fee Hours)			<b>\$329.22</b>	

<sup>(1)</sup> Rates differ due to services provided relating to different CWA's.

<sup>(2)</sup> Rate changed due to promotion effective October 1, 2019.

<sup>(3)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the Data Security Services. Payment of the fixed fee is dependent on an iterative process by which stages of the project go through a formal review, including a detailed walkthrough, modifications (if required) and formal acceptance. KPMG requested the fixed-fee amount above for these services during the Third Interim Period, as approved by the client.

<sup>(4)</sup> These fees represent the recurring monthly charges as detailed in Appendix C of the Legal Support Services Agreement and further detailed on Exhibit C3 of the monthly fee statements.

<sup>(5)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the Endpoint Protection Strategy Assessment Services. KPMG requested \$50,000 related to the completion of Phase III during the Third Interim Period.

<sup>(6)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the 2020 Electric System Inspections and Maintenance Program Services. Payment of the fixed fee is dependent on an iterative process by which stages of the project go through a formal review, including a detailed walkthrough, modifications (if required) and client acceptance. KPMG requested the fixed-fee amount above for these services during the Third Interim Period, as approved by the client.

# ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

## COMPENSATION BY PROJECT CATEGORY

Project Category	Exhibit	Total Billed Hours	Total Fees Requested
Asset Management Services	C1	5,028.0	\$ 1,717,936.50
Data Security Services	C2		\$ 703,121.50 <sup>(7)</sup>
Legal Support Services	C3	3.5	\$ 189,492.29 <sup>(8)</sup>
IT Software Services (Phase I)	C4	0.0	\$ -
Enterprise Project Management Tools Implementation Services	C5	0.0	\$ -
Risk Assessment Services	C6	0.0	\$ -
Retention Services	C7	2.2	\$ 397.50
Fee Application Preparation Services	C8	539.3	\$ 81,794.25
IT Software Services (Phase II)	C9	1,964.7	\$ 461,118.50
Quanta Invoice Review Services	C10	353.9	\$ 95,531.00
Data Security Loan Staff Services	C11	0.0	\$ -
Endpoint Protection Strategy Assessment Services	C12		\$ 50,000.00 <sup>(9)</sup>
Data Security CCPA Support Staff Services	C13	455.5	\$ 72,706.50
Tax and Accounting On-Call Services	C14	22.5	\$ 17,812.50
Permitting Spend Analysis Services	C15	494.0	\$ 202,320.00
Gas and Electric Permitting Support Phase 2	C16	2,663.3	\$ 1,143,557.50
2020 Electric System Inspections and Maintenance Program Services	C17		\$ 370,000.00 <sup>(10)</sup>
<b>Total Fees Requested</b>		<b>11,526.9</b>	<b>\$ 5,105,788.04</b>

<sup>(7)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the Data Security Services. Payment of the fixed fee is dependent on an iterative process by which stages of the project go through a formal review, including a detailed walkthrough, modifications (if required) and formal acceptance. KPMG requested the fixed-fee amount above for these services during the Third Interim Period, as approved by the client.

<sup>(8)</sup> Fee amount composed of hourly fees and recurring hosting fees.

<sup>(9)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the Endpoint Protection Strategy Assessment Services. KPMG requested \$50,000 related to the completion of Phase III during the Third Interim Period.

<sup>(10)</sup> KPMG and the Debtors agreed to fixed-fee compensation for the 2020 Electric System Inspections and Maintenance Program Services. Payment of the fixed fee is dependent on an iterative process by which stages of the project go through a formal review, including a detailed walkthrough, modifications (if required) and client acceptance. KPMG requested the fixed-fee amount above for these services during the Third Interim Period, as approved by the client.

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4 In re:

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Bankruptcy Case

No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- 10 ☐ Affects PG&E Corporation  
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13 *\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

14 **THIRD INTERIM FEE APPLICATION OF KPMG LLP FOR COMPENSATION FOR SERVICES  
15 RENDERED AND REIMBURSEMENT OF EXPENSES AS INFORMATION TECHNOLOGY, RISK,  
16 AND LEGAL SUPPORT CONSULTANTS TO THE DEBTORS FOR  
THE PERIOD FROM OCTOBER 1, 2019 THROUGH JANUARY 31, 2020**

17 KPMG LLP, (“KPMG”) as information technology, risk, and legal support consultants to the  
18 above-captioned debtors and debtors-in-possession (the “Debtors”), files this Third Interim Fee  
19 Application (the “Interim Fee Application”), pursuant to section 330 and 331 of title 11 of the United  
20 States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the  
21 “Bankruptcy Rules”), and the Local Rules of Bankruptcy Practice and Procedure of the United States  
22 Bankruptcy Court for the Northern District of California (the “Local Rules”). By this Interim Fee  
23 Application, KPMG seeks the allowance of compensation for professional services performed and  
24 actual and necessary expenses incurred by KPMG for the period from October 1, 2019 through and  
25 including January 31, 2020 (the “Compensation Period”), in the amount of \$5,397,653.30 and  
26 respectfully represents:  
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## Background

A. On January 29, 2019 (the “Petition Date”) each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of title 11 of the Bankruptcy Code. On February 12, 2019, the Acting United States Trustee for Region 3 appointed an official committee of unsecured creditors (the “Creditors’ Committee”).

B. By this Court’s Order Authorizing the Debtors to Retain and Employ KPMG LLP as Information Technology, Risk, and Legal Consultants Nunc Pro Tunc to January 29, 2019, dated October 11, 2019 [Docket No. 2503] (the “Retention Order”), the Debtors were authorized to compensate KPMG in accordance with the procedures set forth in section 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were fixed by order of the Court. A copy of the Retention Order is attached hereto as Exhibit A.

C. By this Court’s Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) and 2016 Amending the Scope of the Retention of KPMG LLP as Information Technology, Risk, and Legal Consultants to the Debtors Effective *Nunc Pro Tunc* to April 8, 2019, dated December 11, 2019 [Docket No. 5077] (the “Supplemental Retention Order”), the Debtors were authorized to compensate KPMG in accordance with the procedures set forth in section 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were fixed by order of the Court. A copy of the Supplemental Retention Order is attached hereto as Exhibit B.

D. By this Court’s Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) and 2016 Amending the Scope of the Retention of KPMG LLP as Information Technology, Risk, and Legal Consultants to the Debtors Effective *Nunc Pro Tunc* to December 20, 2019, dated May 15, 2020 [Docket No. 7351] (the “Second Supplemental Retention Order”), the

1 Debtors were authorized to compensate KPMG in accordance with the procedures set forth in section  
2 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other  
3 procedures as were fixed by order of the Court. A copy of the Second Supplemental Retention Order  
4 is attached hereto as Exhibit C.  
5

### 6 **Jurisdiction**

7 **E.** This court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334.  
8 This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). Venue of this Chapter 11 case  
9 in this district is proper under 28 U.S.C. §§ 1408 and 1409.  
10

### 11 **Summary of Interim Fee Application**

12 **F.** During the Compensation Period, KPMG performed the services for which it is  
13 seeking compensation on behalf of or for the Debtors and their estates and not on behalf of any  
14 committee, creditor or other person. By this Interim Fee Application, KPMG requests allowance of  
15 Interim compensation of professional fees totaling \$5,105,788.04 of necessary and actual out-of-pocket  
16 expenses in the amount of \$291,865.26.  
17

### 18 **Summary of Services Rendered During the Compensation Period**

19 **G.** This Interim Fee Application is KPMG's Third Interim Fee Application for  
20 compensation and expense reimbursement filed in these chapter 11 cases. During the Compensation  
21 Period, KPMG provided significant professional services to the Debtors in their efforts to navigate  
22 their business through the chapter 11 process.  
23

24 **H.** Set forth below is a summary of the significant professional services that KPMG  
25 rendered to the Debtors during the Compensation Period and annexed hereto as Exhibit A is a chart  
26 depicting KPMG professionals who rendered these services.  
27  
28

1 **Asset Management Services**

- 2 • Continued to assist the Debtors' with development of certain aspects of its transmission,  
3 distribution and substation inspection programs.

4 **Data Security Services**

- 5 • Continued providing assistance to Debtors' team with the development of its Data Security  
6 program.

7 **Legal Support Services**

- 8 • Provided evidence, discovery management services and digital evidence recovery services at  
the request of Debtors' counsel, Latham and Clarence.

9 **Retention Services**

- 10 • Discussions and correspondence with partners, Office of General Counsel and Debtors' counsel  
11 related to the supplemental employment application.

12 **Fee Application Preparation**

- 13 • The billing procedures required by the US Trustee Guidelines differ from KPMG's normal  
14 billing procedures and as such, the Local Rules and the Interim Compensation Order entered in  
15 these cases have required significant effort to inform the timekeepers of their responsibilities,  
16 compile the detailed time and expenses entries, begin preparation of the detailed and summary  
schedules of fees and expenses incurred, and begin drafting the schedules included in the  
Interim fee Applications.

17 **IT Software Services (Phase II)**

- 18 • Continued to assist the Debtors with their migration from Siteminder to Ping (information  
19 technology software platforms).

20 **Quanta Invoice Review Services**

- 21 • Continued to perform an analysis of the Quanta Service Inc. payment applications related to the  
performance of construction management services, which have been submitted to the Debtors.

22 **Data Security Loan Staff Services**

- 23 • Provided the Debtors with a staff member to support the Debtors' personnel with respect to  
24 their security initiatives.

25 **Endpoint Protection Strategy Assessment Services**

- 26 • Continued assisting the Debtors' with the Endpoint Security Strategy Assessment and  
27 development of a plan to implement changes to that strategy.  
28

1 **Data Security CCPA Support Staff Services**

- 2 • Assisted the Debtors' Cybersecurity Risk and Strategy organization in performing data  
3 protection activities as they relate to CCPA compliance activities.

4 **Tax and Accounting On-Call Services**

- 5 • Provided tax and accounting advice in response to inquiries from the Debtors.

6 **Permitting Spend Analysis Services**

- 7 • Continued to assist the Debtors' with analyzing payments to certain authorities related to  
8 notices of violation for non-conformance with encroachment permit requirements.

9 **Gas and Electric Permitting Support Phase 2**

- 10 • Began the second phase of assisting the Debtors' with analyzing payments to certain authorities  
11 related to notices of violation for non-conformance with encroachment permit requirements.

12 **2020 Electric System Inspections and Maintenance Program Services**

- 13 • Began to support the Debtors' Electric organization with project management, analytical, and  
14 process support for their 2020 System Inspections and Maintenance programs.

15 **I.** Per the Data Security Services Agreement executed on March 20, 2019, KPMG  
16 and the Debtors agreed to a Fixed Fee arrangement in the amount of \$2,705,013.50. Payment of the  
17 Fixed Fee is dependent on an iterative process by which stages of the project go through a formal  
18 review, including a detailed walkthrough, modifications (if required) and formal acceptance by the  
19 client. During the Compensation Period, KPMG requested fees for services rendered through January  
20 31, 2020 totaling \$703,121.50 as approved by the Debtors.

21 **J.** KPMG and the Debtors agreed to a Fixed Fee arrangement for the Endpoint  
22 Protection Strategy Assessment Services in the amount of \$150,000.00, inclusive of Phases I – III,  
23 with compensation for the completion of each phase totaling \$50,000.00. During the Compensation  
24 Period, KPMG requested the fixed fee amount relating to the completion of Phase III of these services  
25 totaling \$50,000.00.

26 **K.** KPMG and the Debtors agreed to a Fixed Fee arrangement for the 2020 Electric  
27 Systems Inspections and Maintenance Program Services in the amount of \$2,200,000.00. Payment of  
28

1 the Fixed Fee is dependent on an iterative process by which stages of the project go through a formal  
2 review, including a detailed walkthrough, modifications (if required) and formal acceptance by the  
3 client. During the Compensation Period, KPMG requested fees for services rendered through January  
4 31, 2020 totaling \$370,000.00 as approved by the Debtors.

5           **L.**       During the Compensation Period, KPMG billed the Debtors for non-fixed fee  
6 time expended by professionals based on hourly rates ranging from \$135 to \$850 per hour. The rates  
7 reflected in this Interim Fee Application for non-fixed fee services represent approximately a 10% -  
8 78% discount from KPMG's standard rates. Of the aggregate time expended, 260.2 hours were  
9 expended by partners and principals, 726.0 hours were expended by managing directors, directors and  
10 associate directors, 3,945.1 hours were expended by managers, and 6,595.7 hours were expended by  
11 senior associates and associates. KPMG's blended hourly rate for non-fixed fee services provided  
12 during the Compensation Period is \$329.22.  
13

14           **M.**       KPMG maintains contemporaneous records of the time expended for the non-  
15 fixed fee professional services and expenses related hereto performed in connection with these chapter  
16 11 cases.  
17

18           **N.**       The fees applied for herein are based on the usual and customary fees KPMG  
19 charges to advisory services clients and are commensurate with the usual and customary rates charged  
20 for services performed.  
21

22           **O.**       KPMG respectfully submits that the amounts applied for herein for professional  
23 services rendered on behalf of the Debtors in these cases to date are fair and reasonable given: (a) the  
24 time expended; (b) the nature and extent of the services performed at the time at which such services  
25 were rendered; (c) the value of such services; and (d) the costs of comparable services other than in  
26 these chapter 11 cases.  
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1           **P.**     The time and labor expended by KPMG during the Compensation Period has  
2 been commensurate with the size and complexity of these cases. In rendering these services, KPMG  
3 has made every effort to maximize the benefit to the Debtors' estates, to work efficiently with the other  
4 professionals employed in these cases, and to leverage staff appropriately in order to minimize  
5 duplication of effort.  
6

7           **Q.**     During the Compensation Period, KPMG provided a focused range of  
8 professional services as requested by the Debtors. KPMG respectfully submits that these services: (a)  
9 were necessary and beneficial to the successful and prompt administration of these cases; and (b) have  
10 been provided in a cost efficient manner.

11           **R.**     Except as set forth in the Retention Order, no promises concerning  
12 compensation have been made to KPMG by any firm, person or entity.  
13

14           **Summary of Actual and Necessary Expenses During the Compensation Period**

15           **S.**     KPMG seeks reimbursement of actual and necessary expenses incurred by  
16 KPMG during the Compensation Period in the aggregate amount of \$291,865.26 expenses. These  
17 expenses are reasonable and necessary in light of the size and complexity of the Debtors' cases.  
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19           **Reservation**

20           To the extent that time for services rendered or disbursements incurred relate to the  
21 Compensation Period, but were not processed prior to the preparation of this Interim Fee Application,  
22 KPMG reserves the right to request additional compensation for such services and reimbursement of  
23 such expenses in a future Interim fee Application. Furthermore, KPMG reserves the right to seek final  
24 approval of the fees and expenses requested herein.  
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1 Conclusion

2 WHEREFORE, KPMG respectfully requests that, pursuant to the Interim Compensation Order,  
3 KPMG is (i) allowed on an interim basis compensation of \$5,105,788.04 for services rendered during  
4 the Compensation Period (ii) allowed on an interim basis reimbursement of expenses billed during the  
5 Compensation Period of \$291,865.26; (iii) authorized to be paid its allowed fees and expenses for the  
6 Compensation Period; and (iv) granted such other and further relief as the Court may deem proper.  
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10 Dated: July 9, 2020  
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12 Respectfully submitted,  
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16 \_\_\_\_\_  
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